



**STATE OF NEVADA
OFFICE OF THE STATE TREASURER
IS SOLICITING PROPOSALS FOR
Investment Consulting Services**

REQUEST FOR PROPOSAL NO. 14-001

Pre-proposal Conference to be held on April 18, 2014 @ 10:00AM PT. Please see page 20 for additional information regarding the conference.

**DEADLINE FOR SUBMISSION AND OPENING DATE & TIME:
5/14/2014 at 2:00 pm (PT)***

Project Abstract: Investment consulting services are being sought for the College Savings Plans of Nevada

The actual RFP document consists of 41 pages.

A copy of this Request for Proposal (RFP) may be obtained by any of the following methods:

1. Retrieve the document from the State of Nevada, Office of the Treasurer Web Page at: <https://nevadatreasurer.gov/> and click on the "RFPs" tab. **You will be responsible for checking the web site for any amendments.**
2. E-Mail us at ahlara@nevadatreasurer.gov and request a copy of the RFP be forwarded to you. Please include your company name, address, contact name, phone number and fax number. We will automatically send you any amendments or changes to the RFP.
3. Fill out this form and fax it back to us at 775-684-5776 we will automatically send you any amendments or changes to the RFP.

Company Name: _____ Contact Name: _____

Phone No. _____ Fax No. _____

E-mail Address: _____

Address: _____ City: _____

State: _____ Zip: _____

Preferred method for receiving documents ☐ **Fax** ☐ **Mail** ☐ **E-Mail**



State of Nevada
Office of the State Treasurer
Request For Proposal No. 14-001
for

Investment Consulting Services

Release Date: April 4, 2014
Deadline for Submission and Opening Date and Time: May 14, 2014 @ 2:00 pm (PT)*
*All times noted herein these documents are Pacific Daylight Time (PT)

For additional information, please contact
Anne Lara, Management Analyst
(775) 684-5675
(TTY for the Deaf and Hard of Hearing: 1-800-326-6868.
Ask the relay agent to dial 1-775-684-5753/V.)

See Page 12, for instructions on submitting proposals.

Company Name _____ Contact Person _____

Address _____ City _____ State _____ Zip _____

Telephone (____) _____ Fax (____) _____

E-Mail Address: _____

If applicable, Vendor's State of residence governmental preference _____

Prices contained in this proposal are subject to acceptance within _____ calendar days.

I have read, understand, and agree to all terms and conditions herein:

Signed _____ Date _____

Print Name & Title _____

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A Request for Proposals (“RFP”) process is different from an Invitation to Bid. The State expects vendors to propose creative, competitive solutions to the agency's stated problem or need, as specified below. Vendors may take exception to any section of the RFP. Exceptions should be clearly stated in Attachment A (Certification of Indemnification and Compliance with Terms and Conditions of RFP) and will be considered during the evaluation process. The State reserves the right to limit the Scope of Work prior to award, if deemed in the best interest of the State (NRS §333.350(1)).

1. OVERVIEW OF PROJECT

1.1 Statutory Authority:

In accordance with Nevada Revised Statutes (“NRS”) Chapter 353B and Section 529 of the U.S. Internal Revenue Code of 1986, as amended, the College Savings Plans of Nevada (“College Savings Plans”) provide families with qualifying college savings programs with the objective of saving for higher education on a tax-advantaged basis.

NRS Chapter 353B establishes the College Savings Plans, which include both the Nevada Higher Education Prepaid Tuition Program (“Prepaid Program”) and the Nevada College Savings Program (“College Savings Program”), each under the authority of the Board of Trustees of the College Savings Plans of Nevada (“Board”), along with their associated trust funds, which are administered independently of each other. With both programs, the State Treasurer and staff from the State Treasurer’s Office (“STO”) administer the daily operations of the programs. These responsibilities include management of the programs’ vendors and partnerships, marketing, administration of program budgets and revenues, review of the performance of plans, and bringing for discussion new initiatives.

The Prepaid Program is administered by the Board. NRS 353B.150 and NRS 353B.160 designate the State Treasurer as the administrator of the Prepaid Trust Fund, and specify the types of investments which may be purchased and the related constraints on how the Prepaid Trust Fund is to be administered.

The Prepaid Trust Fund, created for the Prepaid Program, was approved by the Nevada Legislature during the 1997 biennial session (NRS §353B, College Saving Plans of Nevada). This authority also created the Board chaired by the State Treasurer. NRS § 353B can be found on the web at <http://leg.state.nv.us/NRS/NRS-353B.html>. Nevada Administrative Code (“NAC”) §353B contains the regulations of the Prepaid and College Savings Programs and can be found on the web at <http://leg.state.nv.us/NAC/NAC-353B.html>. Information on the Program may also be obtained from the web at <https://nevadatreasurer.gov/cshome.htm>.

1.2 Description of Plans:

College Savings Program

The Board administers four distinct 529 plans operating under the College Savings Program: the SSgA Upromise 529 Plan, the Vanguard 529 College Savings Plan, the USAA College Savings Plan, and the Putnam 529 for America plan. Upromise Investments Inc. (“Upromise”) serves as the program manager

for the three direct-sold plans. The Putnam 529 for America plan, a broker-sold plan, is administered by Putnam Investments. A summary table listing relevant information for each plan is provided below:

Program	12/31/2013 Assets under Management (Millions)	Type of Plan	Investment Manager	Investment Options
SSgA Upromise 529 Plan	\$1,164.26	Direct sold	SSgA	7 target date portfolios, 3 risk-based portfolios, and 15 stand-alone ETF options
Vanguard 529 College Savings Plan	\$9,362.95	Direct sold	Vanguard	3 age-based portfolios, and 19 stand-alone fund options
USAA College Savings Plan	\$1,961.84	Direct sold	USAA Investment Mgmt. Co.	6 age-based options and 7 fixed allocation options
Putnam 529 for America	\$337.00	Broker sold	Putnam Investment Mgmt. Co.	3 age-based options*, 3 goal based options, 4 absolute return funds and 10 stand-alone fund options
Total	\$12,826.05			

* Putnam will be submitting a proposal in June 2014 to consolidate their age-based options to just one option.

NRS 353B.370 grants the Board latitude in determining how College Savings Trust Fund assets are to be invested, which may include the selection of an investment manager(s) and/or investment option, and the selection of a program manager(s). The Board has a direct program agreement through 2031 with Upromise to act as the State's program manager for its three direct plans and an agreement with Putnam Investments expiring September 2015 for management of the Putnam 529 for America plan. Contracts between the program manager and each of the investment managers or any amendments to such contracts require the consent of the Board.

Although Nevada statutes provide great latitude to the Board, the existence of four nationally-sold, private label plans in Nevada necessitates that the State take a more collaborative approach with its investment managers, Putnam, Vanguard, USAA and SSgA, since these firms also bear significant reputational risk for their national plans. Both the State or investment manager may request consideration of changes to investments or the construction of investment options. The investment managers are currently required to prepare annual investment plans in which they may propose changes to the lineup of investment options or other changes. In addition, the State's current investment consultant prepares a quarterly review of underlying funds' performance and makes recommendations for funds that have been placed on "Watch" status. The State Treasurer's Office may also request special analyses of an investment manager; for instance, the State asked one of its investment managers to complete an analysis and consider adopting a smoother glidepath for its age-based options. While the Board maintains the absolute right to unilaterally replace or delete underperforming investment options from a plan and has exercised that right several times in the last four years, the selection of a replacement fund or other investment-related changes (e.g., the aforementioned consideration of a smoothed glidepath) tends to utilize a more collaborative process in which an investment manager and

STO work together to bring a recommendation to the Board. The Board also reserves the right to reject program managers' proposals for changes to the investment lineup and has also exercised that right.

The underlying funds for the investment options contained in the above four plans consist of mutual funds, ETF's, separate accounts and combinations of mutual funds/ETFs/separate accounts. A listing of the underlying funds for the College Savings Program is included as Attachment G.

Prepaid Program

In addition to the College Savings Program, the Prepaid Program enables Nevada residents to lock in future college tuition rates at today's prices. To date, more than 16,000 residents have invested in the Prepaid Program, which has a market value of about \$178 million as of December 31, 2013. The Treasurer's Office is responsible for managing the asset allocation of the Prepaid Trust Fund and ensures the assets are managed in accordance with the investment parameters set forth in NRS 353B.160 and adhere to the following asset allocation, which is set in the program's investment policy as:

- 43% Fixed Income
- 57% Domestic Equities
 - 45% Large Cap
 - 8% Mid Cap
 - 4% Small Cap

Chicago Equity Partners invests the fixed income portion of the fund in a separate account, and equities are invested in three passively managed institutional mutual funds through Vanguard (See Attachment G for investment details.). As of June 30, 2013, the Program's funded status was calculated by the Program's actuary to be 111.6% and the actuarially assumed rate of return for the portfolio based on this asset allocation is 6.75%. As a result of the funding ratio, the Treasurer's office is currently exploring alternative investments options, such as covered-calls (buy-write strategy), low-volatility funds, covered-puts, etc. Pursuant to statute, the Prepaid Program may explicitly invest in covered-calls, in addition to the 57% allocation to domestic equity.

The term of the contract with Chicago Equity Partners runs through December 31, 2016. The equity investments in the three passive domestic equities funds with Vanguard are completely portable and our positions in those funds may be liquidated at any time.

1.3 Investment Policies:

The Board has adopted investment policies for the Prepaid Program and the College Savings Program. The investment policies detail the roles and responsibilities of the Board, the State Treasurer, the investment consultant, the program manager, and the investment manager(s). The investment consultant will be required to adhere to the policies and procedures and requirements set forth in these documents. The investment objectives, permitted investments, asset allocation policies and performance monitoring and reporting requirements, including required quarterly and annual investment reports to the Board are outlined in both investment policies.

The Prepaid Program investment policy contains detailed information on 'Watch' list criteria and manager selection and evaluation. The College Savings Program has a more detailed document, Funding Monitoring Guidelines, which details the "Watch' list criteria for each of the four College Savings Programs. These documents are available in Attachment H.

1.4 Purpose of RFP:

The Office of the Nevada State Treasurer (“State Treasurer”), in accordance with its responsibilities to administer the Nevada Higher Education Prepaid Tuition Trust Fund (“Prepaid Trust Fund”) and the Nevada College Savings Trust Fund (“College Savings Trust Fund”), is requesting proposals from qualified investment consultants to provide investment consulting services to the Board and the State Treasurer within the scope of work outlined in Section 3 of this document. The consulting services requested would serve to fulfill the requirements for fund monitoring and due diligence that are provided in the investment policies for the Prepaid Program and College Savings Program. The contract period is for four years.

The State may choose to enter into a contract with one consultant to perform work for both the College Savings Program and Prepaid Program or may choose to contract with two separate consultants, one for each program. Presently, the State uses the latter arrangement, with a separate consulting firm engaged for each program.

Program records are maintained in the Las Vegas and Carson City offices of the State Treasurer.

2. ACRONYMS/DEFINITIONS

For the purposes of this RFP, the following acronyms/definitions will be used:

<i>Awarded Vendor</i>	The organization/individual that is awarded and has an approved contract with the State of Nevada for the services identified in this RFP.
<i>Board</i>	The Board of Trustees of the College Savings Plans of Nevada.
<i>College Savings Plans</i>	The College Savings Plans provided by the Board of Trustees of the Nevada College Savings Plans under NRS Chapter 353B, and Section 529 of the U.S. Internal Revenue Code of 1986, as amended, and include the Nevada Prepaid Tuition Program and the College Savings Program.
<i>College Savings Program</i>	The direct and advisor sold 529 college savings plans administered through a program manager agreement and described in Section 1.2.
<i>College Savings Trust Fund</i>	Nevada College Savings Trust Fund created in NRS 353B.300 and associated with the College Savings Program commonly known as 529 plans.
<i>Evaluation Committee</i>	An independent committee comprised of a majority of State officers or employees established to evaluate and score proposals submitted in response to the RFP pursuant to NRS §333.335. This committee will forward its recommended vendor to the Board for final approval pursuant to NRS § 353B.190.

<i>Funds</i>	The Prepaid Trust Fund and the College Savings Trust Fund, as defined.
<i>Investment Policy Statements</i>	The Investment Policies and Comprehensive Investment Plan and Monitoring Guidelines for College Savings Plan of Nevada and the Nevada Higher Education Prepaid Tuition Program are available in Attachments E.
<i>May</i>	Indicates something that is not mandatory but permissible.
<i>NAC</i>	Nevada Administrative Code
<i>NRS</i>	Nevada Revised Statutes
<i>Prepaid Program</i>	Nevada Higher Education Prepaid Tuition Program as described in NRS 353B
<i>Prepaid Trust Fund</i>	Nevada Higher Education Prepaid Tuition Trust Fund as defined by NRS 363B
<i>Program Manager</i>	UII – Upromise Investments Inc. 95 Wells Avenue, Suite 160, Newton, MA 02459 (upromiseinvestment.com)
<i>RFI</i>	Request for Information – A solicitation issued to potential vendors for the purpose of obtaining ideas for the solution to a State problem; often as a prelude to the issuance of an RFP.
<i>RFP</i>	Request for Proposal - a written statement which sets forth the requirements and specifications of a contract to be awarded by competitive selection (NRS §333.020(7)).
<i>Shall/Must</i>	Indicates a mandatory requirement. Failure to meet a mandatory requirement may result in the rejection of a proposal as non-responsive.
<i>Should</i>	Indicate something that is recommended but not mandatory. If the vendor fails to provide recommended information, the State may, at its sole option, ask the vendor to provide the information or evaluate the proposal without the information.
<i>State</i>	The State of Nevada and any agency identified herein.
<i>State Treasurer</i>	Nevada State Treasurer Kate Marshall
<i>Subcontractor</i>	Third party, not directly employed by the vendor, who will provide services identified in this RFP. This does not include third parties who provide support or incidental services to the vendor.
<i>Treasurer's Office</i>	Nevada State Treasurer's Office
<i>Will</i>	Expected or required.

3. SCOPE OF WORK

3.1 Overview:

The State Treasurer, with the advice and consent of the Board, seeks investment consulting services from the awarded vendor to monitor investments within the College Savings Trust Fund and the Prepaid Trust Fund and their associated programs. It is expected that the awarded vendor would provide quarterly reports to the Board to include recommendations and findings on underlying investments and age-based and risk-based portfolios, as well as annual investment reviews, as noted in more detail in the sections below. In order to award this contract, the awarded vendor must demonstrate that they will:

- 1) Directly provide a higher level of expertise than is currently available from members of the Board and the State Treasurer;
- 2) Directly provide and have access to independent and objective opinions;
- 3) Directly provide information and tools currently unavailable to the Board and State Treasurer; and
- 4) Recognize and acknowledge the burden of co-fiduciary responsibility owed to the participants of the College Savings Program and the Prepaid Program.

3.2 College Savings Program:

The awarded vendor must provide the following services:*

Fund Monitoring

- 3.2.1 Review the current criteria for placement of passively and actively managed funds on “Watch List” status based on both quantitative and qualitative criteria, and provide any recommended amendments, as needed.
- 3.2.2 Develop customized benchmarks for each age-based and risk-based portfolio within the four College Savings Program plans.
- 3.2.3 Develop criteria for placement of age-based and risk-based portfolios on “Watch List” status based on both quantitative and qualitative criteria, or provide an alternative approach for review of portfolios’ performance, governance, and management.
- 3.2.4 Based upon the above criteria, evaluate the performance results for each underlying fund and portfolio within each of the four College Savings Program plans on a quarterly basis against its benchmark and peer group and provide recommendations to the Board and State Treasurer for placement or release of the fund or portfolio from “Watch List” status or otherwise provide advice on the continuing appropriateness of each underlying fund.

- 3.2.5 Upon request of STO, collect, compile and/or conduct technical analyses, including risk metrics and attribution analysis for each underlying fund and portfolio within each of the four College Savings Program plans on a quarterly basis and provide advice on the continuing appropriateness of each underlying fund and portfolio.
- 3.2.6 Based upon the above criteria, perform ongoing monitoring of each underlying fund and portfolio within each of the four College Savings Program plans for qualitative issues that may impact a decision regarding the continuing appropriateness of each investment alternative. Examples of these types of issues include changes of the fund manager or team, significant redemptions of assets by investors, and regulatory and legal issues.
- 3.2.7 Prepare a quarterly report to the Board and State Treasurer that compiles the above information for each underlying fund and portfolio within the College Savings Program and provides “Watch List” recommendations. For each fund or portfolio recommended to be placed, maintained or released from “Watch List” status, provide a fund commentary.

Annual Reviews:

- 3.2.6 Review the current Annual Review Guidelines for the four College Savings Programs and provide amendments, as needed.
- 3.2.7 Review each of the four College Savings Program annual investment reviews submitted by the investment manager (one per quarter) for approval by the Board. The review should include, but not be limited to, reviews of all existing investment options, to determine if the options are satisfactory, given the considerations for diversification, risk and return. Review the asset allocations for age-based and multi-fund investment options, including any recommendations for structural changes (e.g., asset allocation changes) and modifications to the underlying funds comprising these options, and ensure choices remain appropriate for the Board’s investment policies, with no systematic bias in favor of active vs. passive management.
- 3.2.8 Provide up-to-date information to the Board and State Treasurer concerning current investment trends and issues as well as peer comparisons with similar college savings investment plans.
- 3.2.9 Provide assistance in developing and drafting recommended College Savings Program modifications, and provide ongoing recommended changes to the investment policies, as needed.
- 3.2.10 Provide advice regarding “best practices” in preparation of other procedures and policies.
- 3.2.12 Provide advice concerning risk management strategies; investment goals, objectives and strategies, glide-path construction, rebalancing policies and compliance monitoring, all as they relate to College Savings Program and individual investment plan activities.

Due Diligence:

- 3.2.13 Conduct an annual due diligence meeting with each of the investment managers, and at least every other year ensure one of the due diligence meetings is conducted on-site at the investment manager's location. Please note the annual due diligence meetings may be limited to active managers only, upon approval by the Treasurer's office.
- 3.2.14 Provide written opinions and findings regarding the management of the current investment options, which may include recommendation of replacement funds where appropriate. Please note the annual due diligence meeting(s) may be limited to active managers only, upon approval by the Treasurer's office

Special Projects:

- 3.2.15 Upon request, vet prospective investment manager(s) and program manager(s) for College Savings Plans suitability.
- 3.2.16 Provide assistance in preparing and evaluating RFPs and RFIs, as needed.
- 3.2.17 Conduct other special projects or analyses as requested.

* *The above Scope of Work itemizes services that the STO and Board intend to contract for. Depending on the selected vendor's cost proposal, the State reserves the right to reduce the above Scope of Work based on the costs indicated on Attachment J. For instance, the STO could choose to eliminate review of passive index funds from the scope of services included in the negotiated contract with the selected vendor.*

3.3 Prepaid Program:**

The Awarded Vendor must:

Fund Monitoring

- 3.3.1 Review criteria for placement of passively and actively managed funds or other investments on "Watch List" status based on both quantitative and qualitative criteria, and provide any recommended amendments, as needed.
- 3.3.2 Based upon the above criteria, evaluate the performance results for each investment option against its benchmark and peer group on a quarterly basis and make recommendations to the Board and State Treasurer for placement or release of the fund from "Watch List" status or otherwise provide advice on the continuing appropriateness of each option.
- 3.3.3 Upon request of STO, collect, compile and/or conduct technical analyses of each fund including risk metrics and attribution analysis on a quarterly basis, and provide advice on the continuing appropriateness of each underlying fund.
- 3.3.4 Based upon the above criteria, perform ongoing monitoring of each investment option for qualitative issues that may impact a decision regarding the continuing appropriateness of each investment alternative. Examples of these types of issues would include changes of the

fund manager or team, significant redemptions of assets by investors, and regulatory and legal issues.

- 3.3.5 Prepare a quarterly report to the Board and State Treasurer that compiles the above information for each investment option and provide “Watch List” recommendations. For each fund recommended to be placed, maintained or released from “Watch List” status, provide a fund commentary.

Annual Reviews:

- 3.3.6 Provide your firm’s capital market assumptions and the reasonableness of projected returns for the portfolio.
- 3.3.7 Provide a review of asset allocations for investment options and provide an analysis of possible adjustments to the asset allocation and/or mix of individual mutual funds and/or other investments.
- 3.3.8 Review all existing investment options in the Prepaid Program, to determine if the investment options are optimum choices, given the considerations for diversification, risk and return and the liability profile, and are appropriate for the Board’s investment policies, with no systematic bias in favor of active versus passive management.
- 3.3.9 Provide advice concerning risk management strategies; investment goals, objectives and strategies; rebalancing policies and compliance monitoring.

Due Diligence:

- 3.3.13 Conduct at least annual due diligence meetings with the investment manager(s) per year, with at least one of the due diligence meetings conducted at the investment manager’s site every other year. The onsite visit should also include a review of operational risks and a review of the investment manager’s compliance processes and internal controls. Please note the annual due diligence meetings may be limited to active managers only, upon approval by the Treasurer’s office.
- 3.3.14 Provide written opinions and findings regarding the management of the current investment options, which may include recommendation of replacement funds where appropriate.

Special Projects:

- 3.3.15 Upon request, vet prospective investment manager(s).
- 3.3.16 Provide assistance in preparing and evaluating RFPs and RFIs, as needed.
- 3.3.17 Conduct other special projects or analyses as requested.

*** The above Scope of Work itemizes services that the STO and Board intend to contract for. Depending on the selected vendor’s cost proposal, the State reserves the right to reduce the above Scope of Work based on the costs indicated on Attachment J.*

3.4 State Treasurer will:

- 3.4.1 Provide the awarded vendor with all program information and financial records.
- 3.4.2 Maintain all College Savings Program and Prepaid Program records
- 3.4.3 Review all reports and clarify issues prior to presentation to the Board.
- 3.4.4 Provide results and analysis of the annual actuarial valuation study (compiled by a third party actuary), annual independent auditor reports, quarterly investment performance and program management reports; and
- 3.4.5 Facilitate Board meetings for presentations, development and adoption of the performance monitoring policies.

3.5 Administration and Reporting:

The Prepaid Program records are located in the Las Vegas office of the State Treasurer. The Prepaid Program investment manager has contracted directly with the Board. The majority of College Savings Program records are located in the Las Vegas office of the State Treasurer and with the program manager. Additionally, the current program manager for the College Savings Program has contracted with independent investment managers to perform investment services as detailed in NRS § 353B.370.

3.5.1 Awarded Vendor will:

- 3.5.1.1 Provide a statement of availability for assistance and questions during the term of the contract resulting from this RFP.
- 3.5.1.2 Deliver all reports and documents pursuant to the contract resulting from this RFP in an electronic format and upon request a hard copy version to the State Treasurer. The electronic versions of the document must be as follows: spreadsheets must be Microsoft Excel files, and expository reports must be Microsoft Word and/or Adobe PDF-format files.
- 3.5.1.3 Perform all investment analysis using commonly accepted methods and principles of an investment professional and prepare and maintain all charts, assumptions and backup data necessary to verify the conclusions articulated in a report or document and make such information available to the State Treasurer.
- 3.5.1.4 Review and critique, as reasonably requested, any proposed changes to Board investment-related policies and procedures.
- 3.5.1.5 Participate in Board meetings or other meetings, either in person or by teleconference. While some meetings can be attended by teleconference, in-person attendance will be required at each of the four (4) quarterly Board meetings per year which contain the investment manager annual review discussions. Indicate your willingness to meet in Nevada (Las Vegas or Carson City) to comply with this requirement.
- 3.5.1.6 Be available by phone, videoconference, e-mail or in person as reasonably required by the State Treasurer and Board for informal discussions on topics relating to the College Savings Program and Prepaid Program.

4. COMPANY BACKGROUND AND REFERENCES

4.1 Primary Vendor Information

Vendors must provide a company profile. Information provided shall include:

- 4.1.1 Company ownership. If incorporated, the state in which the company is incorporated and the date of incorporation. *An out-of-state vendor must become duly qualified to do business in the State of Nevada as a foreign corporation before a contract resulting from this RFP can be executed.*
- 4.1.2 Disclosure of any alleged prior or ongoing contract failures, contract breaches, any civil or criminal litigation or investigation pending which involves the vendor or, over the past ten years, in which the vendor has been judged guilty or liable.
- 4.1.3 Location(s) of the company offices and location of the office servicing any Nevada account(s).
- 4.1.4 Number of employees both nationally and particularly in the office servicing any Nevada accounts.
- 4.1.5 Describe how the company manages growth, including any limits to client/consultant ratios.
- 4.1.6 Location(s) from which employees will be assigned, resulting from the contract relating to this RFP.
- 4.1.7 Name, address and telephone number of the vendor's point of contact for a contract resulting from this RFP.
- 4.1.8 List and describe the team members that would be assigned to this engagement. Who would be the primary contact? Provide resumes for these key staff members. The resume must include each person's education, professional certifications or registrations, tenure at firm and prior experience at other firms. Describe the availability of key staff to respond to questions/issues for the term of the contract resulting from this RFP.
- 4.1.9 Describe the other groups at the company who would support the engagement (e.g. performance measurement, analysts, research, etc.).
- 4.1.10 How many clients does each person on the proposed team currently support? Is there an upper limit to the number of clients each person can have?
- 4.1.8 Breakdown of the ownership structure including details of any ownership with an interest exceeding five percent (5%) as of the date of the vendor's response to this RFP.
- 4.1.9 State if the vendor has filed for U.S. Bankruptcy Court Protection during the past ten years and if so, describe the circumstances and disposition of the case.
- 4.1.10 Advise if the Company, any partner, related company (parent, subsidiary, etc.), affiliate or joint venture, or any owner, officer, director, principal, or management level employee of the Company has been involved in any enforcement action by the Securities and Exchange Commission or any other governmental regulatory agency or been named as a defendant in litigation where there was an allegation of violation of fiduciary responsibility. If yes, explain in detail.

- 4.1.11 Description of vendor activities relating to corporate governance, auditor independence, board independence, enhanced financial disclosures, disaster recovery, etc.
- 4.1.12 Copy of the vendor's statement of ethics and code of conduct (or similar documents).
- 4.1.13 Provide an electronic copy of the Company's most recent ADV Part I and II.
- 4.1.14 Company background/history and why vendor is qualified to provide the services described in this RFP.
- 4.1.15 Length of time vendor has been providing services described in this RFP to the **public and/or private sector**. Please provide a brief description.
- 4.1.16 Has the contractor ever been engaged under contract by any State agency? [] Yes [] No If "Yes," specify when, for what duties, and for which agency.
- 4.1.17 Is the contractor or any of the contractor's employees simultaneously employed by the State of Nevada, any of its political subdivisions or by any other government? [] Yes [] No If "Yes," is that employee planning to render services while on annual leave, compensatory time, sick leave, or on his own time?.
- 4.1.18 Vendor's Tax I.D. Number.

4.2 References

Vendors should provide a minimum of three (3) references from similar projects performed for government clients with of similar size and complexity within the last three years. **Vendors are required to submit Attachment C, Reference Questionnaire to the business references they list. The business references must submit the Reference Questionnaire directly to the State Treasurer's designee, Anne Lara.** It is the vendor's responsibility to ensure that the completed questionnaires are received by the State Treasurer on or before the proposal submission deadline for inclusion in the evaluation process. Business References that are not received, or are not complete, may adversely affect the vendor's score in the evaluation process. The State Treasurer's designee Anne Lara may contact any or all business references for validation of information submitted.

Please provide the following information for each business submitting a reference form:

- 4.2.1 Client name;
- 4.2.2 Project description;
- 4.2.3 Project dates (starting and ending);
- 4.2.4 Technical environment (i.e., Software applications, Internet capabilities, Data communications, Network, Hardware);
- 4.2.5 Staff assigned to reference engagement that will be designated for work per this RFP; and
- 4.2.6 Client project manager name, telephone number, fax number and e-mail address.

4.3 Subcontractor Information

4.3.1 Does this proposal include the use of subcontractors?

Yes _____ No _____ Unknown _____

If “Yes”, vendor must:

- 4.3.1.1 Identify specific subcontractors and the specific requirements of this RFP for which each proposed subcontractor will perform services;
- 4.3.1.2 Provide the same information for any proposed subcontractors as requested in the Primary Vendor Information section (Section 4.1 above);
- 4.3.1.3 Provide references as specified above for any proposed subcontractors (overlap with the primary vendor’s references is permitted);
- 4.3.1.4 Provide a plan by which the State will be notified of proof of payment to any subcontractors;
- 4.3.1.5 Not allow any subcontractor to commence work until all insurance required of the subcontractor is provided to the State; and
- 4.3.1.6 If awarded the contract notify the State Treasurer of the intended use of any subcontractors not identified within their response and receive State Treasurer’s approval prior to subcontractor commencing work.

4.4 Qualification Criteria

In order to be considered as a vendor for the State, prospective vendors must demonstrate their ability to meet each of the following criteria throughout the term of any awarded contract:

- 4.4.1. In its proposal, the vendor must demonstrate experience providing investment consulting services for college savings plans and prepaid tuition plans or similar investments, such as defined benefit and defined contribution pension programs, but taking into consideration that the College Savings Program is comprised of various investment options, with some of the fund families contracting directly with the program manager and not the State.
- 4.4.2. The vendor and each of its key personnel (including any subcontractors) shall be duly qualified and licensed to provide investment consulting services in Nevada and any other jurisdiction required for providing this service to the State.
- 4.4.3. Neither the vendor nor its key personnel (including any subcontractors) shall be under suspension or investigation by any regulatory authority in any jurisdiction, including the Internal Revenue Service, the Securities and Exchange Commission or any State or federal taxing or securities regulating authority.
- 4.4.4. The vendor, including without limitation any member of the vendor’s team (including any subcontractors), shall not be involved in litigation against the State nor have other

engagements which, as determined by the State Treasurer in her sole discretion, would be in conflict with the interests of the State.

- 4.4.5. The vendor shall have demonstrated its financial stability and financial ability to undertake the services to the satisfaction of the State Treasurer.
- 4.4.6. Must be a registered investment advisor with the Securities and Exchange Commission or state government.

4.5 Certification

- 4.5.1 The selection of the vendor will not result in any current or potential, real or perceived conflict of interest. Alternatively, should any potential or existing conflict be known by the vendor, the proposal shall specify the party with whom the conflict exists or might arise, the nature of the conflict, whether the vendor would step aside or resign from the engagement or representation creating the conflict.
- 4.5.2 The proposal is made without prior understanding, agreement, or connection with any corporation, firm, or person submitting a proposal for the same services, and is in all respects fair and without collusion or fraud.
- 4.5.3 The vendor (and the agents, officers, principals and professional employees thereof) has not and will not participate in any prohibited business solicitation communication.*

*“Prohibited business solicitation communication” means a written or verbal communication which occurs during a selection period between a State Treasurer’s employee and any person or entity submitting a proposal for investment consulting services...or between a State employee and a person who is not a State employee regarding the merits of any investment consulting services... or whether the evaluating committee should elect or retain the financial consulting services... “with certain exceptions”. The “selection period” for this RFP begins July 1, 2010 and will continue until the State Treasurer selects its vendor.

- 4.5.4 The person authorized to sign this proposal for the vendor is in compliance with all requirements of RFP 14-001 and certifies all the information provided in this proposal is true and correct.

5. SUBSTANTIVE SCORED QUESTIONS

- 5.1 Describe your experience serving as investment consultant for other 529-qualified college savings plans and prepaid college tuition plans in which your responsibilities included a review of mutual fund managers’ performance and/or benchmarking of individual mutual funds, ETF’s or other investment products.
- 5.2 In addition to any experience with 529-qualified plans, please indicate your experience serving as investment consultant for similar plans, preferably governmental defined

- benefit plans in which your responsibilities included a review of mutual fund managers' performance and/or benchmarking of individual mutual funds, ETF's or other investment products.
- 5.3 Provide a summary table which includes clients of similar size and complexity to the Nevada College Savings Plan under contract for the last five years for which you have acted as investment consultant for the services described in 5.1. Include in the summary table the agency name, type of agency, type of plan (i.e., college savings plan, prepaid college plan, defined benefit plan, defined contribution plan), type of investment vehicles (separate account, commingled fund, retail mutual fund, etc.) total assets under management, and asset classes reviewed.
- 5.4 Describe your firm's process and approach for the review and monitoring of individual mutual funds, ETF's or separately managed accounts for your clients including the following:
- 5.4.1 For the type of portfolios that comprise the College Savings Plan, do you consider a "Watch List" approach an appropriate mechanism for reporting and identifying possible performance or other issues to a governing body? Why or why not?
- 5.4.2 If you do not recommend utilizing a "Watch List" approach, what process do you recommend for reporting issues and recommendations regarding funds and portfolios to the Board?
- 5.4.3 Besides simply benchmarking returns, what other criteria or technical analysis do you conduct and report on for clients that comprise the basis of your recommendations to clients to consider replacement of funds or portfolios?
- 5.5 Once a fund or portfolio has been placed on "Watch List" status or in your firm's view merits increased surveillance, describe the process you undertake to monitor the fund/portfolio and fund manager and conduct further due diligence and analysis.
- 5.6 How do you balance the need to quickly assess and make recommendations based on the volatility of a fund's return and/or its underperformance along with consideration of qualitative issues against the need to allow a fund's manager to "ride out" performance over a longer period?
- 5.7 What conditions would merit your recommendation to a governing body to immediately replace a fund and/or close the fund to future contributions?
- 5.8 Describe your due diligence processes for investment managers, both on a portfolio management and operational risk basis. What are some of the key items you examine and the frequency?
- 5.9 What techniques, reporting and analyses do you perform to determine whether an investment manager has violated his investment mandate and/or whether "style drift" has occurred?
- 5.10 What are your sources for reviewing a fund's holdings for compliance against the fund's mandate, prospectus, contract, etc? Did you develop these tools in-house or are purchase from vendors?
- 5.11 In addition to a review of a fund's holdings, are there are other techniques or statistical analysis that you perform to indicate whether the fund manager is out of compliance with the fund's mandate, prospectus, contract, etc?

- 5.12 Discuss the level of access your firm has to fund managers.
- 5.13 Describe the analysis that you would conduct to determine the appropriateness of the asset allocations for the following:
 - 5.13.1 Age-based options included in the College Savings Program;
 - 5.13.2 Other multi-fund portfolios in the College Savings Program (i.e., risk-based portfolios); and
 - 5.13.3 Prepaid Program
- 5.14 Describe your experience in preparing and presenting annual reports such as those described in Section 3.2.7 through 3.2.13.
- 5.15 Briefly describe your experience in recommending selection, retention and termination of investment managers.
- 5.16 Describe any other services or analysis that you would recommended be included as part of the surveillance process and annual reporting process described in this RFP.
- 5.17 Does your firm provide investment management services in addition to investment consulting? If so, describe how your firm mitigates against any potential conflicts of interest. Also, if your firm provides both services, explain why you believe this may be an advantage.
- 5.18 Are there different analyses or issues related to the evaluation of funds or fund managers for a 529-qualified college savings plan than for a defined benefit or defined contribution plan?
- 5.19 Describe the differences between analyzing a 529-qualified prepaid plan versus a 529-qualified college savings plan.
- 5.20 Sample Reports – please include the following samples of your work product in a separate appendix.
 - 5.20.1 Please provide a sample “Watch” report, or equivalent report, that you currently provide for a client, preferably a large government agency, satisfying the requirements of Section 5.4 above.
 - 5.20.2 Please provide a sample memorandum or report provided for a current client, preferably a large government agency, that recommends replacement of a fund in a 529-qualified plan or governmental defined benefit or defined contribution plan.
 - 5.20.3 Please provide a sample due diligence report on an asset manager that you provided for a current client, preferably a large government agency.

6. **COST**

Note: Cost information *must not* be included with the vendor's Technical Proposal. Please refer to the Submittal Instructions.

- 6.1 Each vendor submitting a proposal must submit the Cost Proposal (Attachment J). Please be aware that the Board may choose to engage a firm to provide a portion of the individual services listed on Exhibit J. In such a case, the individual line item pricing for

each service would apply. Accordingly, firms should exercise care in pricing these services.

- 6.2 In regards to reimbursable expenses, the vendor must state it will comply with sections 0320.0.6, more specifically stated in section 0212.0; section 0214.0., and sections 0325.0.1 through 0325.0.8 inclusive, as amended, of the Nevada State Administrative Manual, which may be viewed in its entirety at <http://budget.state.nv.us/SAM/>.

7. PAYMENT

- 7.1 Payment for the contracted service will be made within 30 days upon receipt of invoice and the State Treasurer's approval.

8. SUBMITTAL INSTRUCTIONS

- 8.1 A pre-proposal conference will be held on April 18, 2014. The conference will be available via teleconference or in-person. The purpose of the pre-proposal conference provides the opportunity to review the requirements and to clarify any items in the proposal which may be unclear. This ensures all potential bidders have a clear understanding of the proposal and its scope.

The pre-proposal conference will be held at the State Capitol Building, Guinn Media Room 101 N. Carson Street, Carson City, NV with video-conference available at Grant Sawyer State Office Building, Suite 5100, 555 E. Washington Ave., Las Vegas, NV. The conference will also be available via teleconference at 1.877.873.8017 and passcode 5707654.

8.2 RFP Timeline (all times are Pacific Time)

Task	Date/Time
Pre-Proposal Conference	April 18, 2014@ 10:00AM
Pre-Proposal Conference minutes posted to website	On or about April 25, 2014
Deadline for submittal of Reference Questionnaires	No later than 2:00 PM on May 12, 2014
Deadline for submission and opening of proposals	No later than 2:00 PM on May 14, 2014
Evaluation period (approximate time frame)	May 15 to July 17, 2014
Vendor Presentations (approximate time frame)	July 15, 2014
Selection of vendor (approximate time frame)	July 17, 2014
Contract start date (contingent upon BOE approval)	January 2, 2015

NOTE: These dates represent a tentative schedule of events. The State reserves the right to modify these dates at any time, with appropriate notice to prospective vendors.

- 8.3 Vendors shall submit one (1) original proposal marked “MASTER” and four (4) identical hard copies and one electronic version to:

Attn: Anne Lara, Management Analyst
Office of the State Treasurer
101 North Carson Street, Suite 4
Carson City, NV 89701-4786
Email address: ahlara@nevadatreasurer.gov

Proposals shall be clearly labeled in a sealed envelope or box as follows:

REQUEST FOR PROPOSAL NO.: 14-001
PROPOSAL OPENING DATE: May 14, 2014
FOR: Investment Consulting Services

- 8.4 **Proposals must be received at the above-referenced address no later than 2:00 pm, May 14, 2014.** Proposals that do not arrive by proposal opening time and date WILL NOT BE ACCEPTED. Vendors may submit their proposal any time prior to the above stated deadline.
- 8.5 The State will not be held responsible for proposal envelopes mishandled as a result of the envelope not being properly prepared. Facsimile, e-mail or telephone proposals will NOT be considered; however, at the State’s discretion, a proposal may submitted all or in part on electronic media, as requested within the RFP document. Proposals may be modified by facsimile, e-mail or written notice provided such notice is received prior to the opening of the proposals.
- 8.6 Although it is a public opening, only the names of the vendors submitting proposals will be announced (NRS §333.335(6)). Technical and cost details about proposals submitted will not be disclosed. Assistance for handicapped, blind or hearing-impaired persons who wish to attend the RFP opening is available. If special arrangements are necessary, please notify Anne Lara as soon as possible and at least two days in advance of the opening.
- 8.7 If discrepancies are found between two or more copies of the proposal, the master copy will provide the basis for resolving such discrepancies. If one copy of the proposal is not clearly marked “MASTER,” the State may reject the proposal. However, the State may at its sole option, select one copy to be used as the master.
- 8.8 For ease of evaluation, the proposal should be presented in a format that corresponds to references and sections outlined within this RFP and should be presented in the same order. Responses to each section and subsection should be labeled so as to indicate which item is being addressed. Exceptions to this will be considered during the evaluation process.

- 8.9 If complete responses cannot be provided without referencing supporting documentation, such documentation must be provided with the proposal and specific references made to the tab, page, section and/or paragraph where the supplemental information can be found.
- 8.10 Proposals are to be prepared in such a way as to provide a straightforward, concise delineation of capabilities to satisfy the requirements of this RFP. Expensive bindings, colored displays, promotional materials, etc., are not necessary or desired. Emphasis should be concentrated on conformance to the RFP instructions, responsiveness to the RFP requirements, and on completeness and clarity of content.
- 8.11 Descriptions on how any and all equipment and/or services will be used to meet the requirements of this RFP shall be given, in detail, along with any additional information documents that are appropriately marked.
- 8.12 The proposal must be signed by the individual(s) legally authorized to bind the vendor (NRS §333.337).
- 8.13 For ease of responding to the RFP, vendors are encouraged, but not required, to request an electronic copy of the RFP. Electronic copies are available in the following formats: Word 6.0/7.0 via e-mail, CD, or on the State Treasurer's website in PDF or EXE format at <https://nevadatreasurer.gov>. When requesting an RFP via e-mail or CD, vendors should contact the Treasurer's Office for assistance. In the event vendors choose to receive the RFP on CD, the vendor will be responsible for providing a blank CD; unless vendors provide a Federal Express, Airborne Express, etc. account number and appropriate return materials, the CD will be returned by first class U.S. mail.
- 8.14 Vendors utilizing an electronic copy of the RFP in order to prepare their proposals should place their written response in *an easily distinguishable font* immediately following the applicable question.
- 8.15 ***For purposes of addressing questions concerning this RFP, the sole contact will be Anne Lara of the State Treasurer's Office. Upon issuance of this RFP, other employees and representatives of the agencies identified in the RFP will not answer questions or otherwise discuss the contents of this RFP with any prospective vendors or their representatives. Failure to observe this restriction may result in disqualification of any subsequent proposal (NAC §333.155(3)).*** This restriction does not preclude discussions between affected parties for the purpose of conducting business unrelated to this procurement.
- 8.16 Vendor who believes proposal requirements or specifications are unnecessarily restrictive or limit competition may submit a request for administrative review, in writing, to the State Treasurer. To be considered, a request for review must be **received** no later than the deadline for submission of questions.
- The State Treasurer shall promptly respond in writing to each written review request, and where appropriate, issue all revisions, substitutions or clarifications through a written amendment to the RFP.
- Administrative review of technical or contractual requirements shall include the reason for the request, supported by factual information, and any proposed changes to the requirements.
- 8.17 If a vendor changes any material RFP language, vendor's response may be deemed non-responsive (NRS §333.311).

- 8.18 Vendors are cautioned that some services may contain licensing requirement(s). Vendors shall be proactive in verification of these requirements prior to proposal submittal. Proposals, which do not contain the requisite licensure, may be deemed non-responsive. However, this does not negate any applicable Nevada Revised Statute (NRS) requirements.
- 8.19 Proposals shall be submitted in two (2) distinct parts - the **Narrative/Technical Proposal** and the **Cost Proposal**. THE NARRATIVE/TECHNICAL PROPOSAL **MUST NOT** INCLUDE COST AND PRICING INFORMATION. While Technical and Cost Proposals may be shipped together (i.e., in the same box/envelope), each proposal, inclusive of the master and requisite number of copies, must be bound or packaged separately.

9. PROPOSAL EVALUATION AND AWARD PROCESS

- 9.1 Proposals shall be consistently evaluated and scored in accordance with NRS §333.335(3) based upon the following criteria listed in descending order of precedence:
- Demonstrated competence;
 - Experience in performance of comparable engagements;
 - Expertise and availability of key personnel;
 - Reasonableness of cost; and
 - Conformance with the terms of this RFP.

Note: Financial stability will be scored on a pass/fail basis.

Proposals shall be kept confidential until a contract is awarded.

- 9.2 The evaluation committee may also contact the references provided in response to the Section identified as Company Background and References; contact any vendor to clarify any response; contact any current users of a vendor's services; solicit information from any available source concerning any aspect of a proposal; and seek and review any other information deemed pertinent to the evaluation process. The evaluation committee shall not be obligated to accept the lowest priced proposal, but shall make an award in the best interests of the State of Nevada (NRS § 333.335(5)).
- 9.3 Each vendor must include in its proposal a complete disclosure of any alleged significant prior or ongoing contract failures, contract breaches, any civil or criminal litigation or investigations pending which involves the vendor or in which the vendor has been judged guilty or liable. Failure to comply with the terms of this provision may disqualify any proposal. The State reserves the right to reject any proposal based upon the vendor's prior history with the State or with any other party, which documents, without limitation, unsatisfactory performance, adversarial or contentious demeanor, significant failure(s) to meet contract milestones or other contractual failures (See generally, NRS §333.335).
- 9.4 Clarification discussions may, at the State's sole option, be conducted with vendors who submit proposals determined to be acceptable and competitive (NAC §333.165). Vendors shall be accorded fair and equal treatment with respect to any opportunity for discussion and/or written revisions of proposals. Such revisions may be permitted after submissions

and prior to award for the purpose of obtaining best and final offers. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing vendors.

- 9.5 A Notification of Intent to Award shall be issued in accordance with NAC §333.170. Any award is contingent upon the successful negotiation of final contract terms and upon approval of the Board of Examiners, when required. Negotiations shall be confidential and not subject to disclosure to competing vendors unless and until an agreement is reached. If contract negotiations cannot be concluded successfully, the State upon written notice to all vendors may negotiate a contract with the next highest scoring vendor or withdraw the RFP.
- 9.6 Any contract resulting from this RFP shall not be effective unless and until approved by the Nevada State Board of Examiners (NRS § 284.173).

10. TERMS, CONDITIONS AND EXCEPTIONS

- 10.1 Performance of vendors will be rated semi-annually following contract award and then annually for the term of the contract by the using State agency in six categories: customer service; timeliness; quality; technology; flexibility; and pricing. Vendors will be notified in writing of their rating.
- 10.2 In accordance with NRS § 333.336, if a vendor submitting a proposal in response to this solicitation is a resident of another state, and with respect to contracts awarded by that state, applies to vendors who are residents of that state a preference, which is not afforded to vendors or contractors who are residents of the State of Nevada, the State Treasurer shall, insofar as is practicable, increase the out-of-state vendor's proposal by an amount that is substantially equivalent to the preference that the other state of which the vendor is a resident denies to vendors or contractors who are residents of the State of Nevada.
- 10.3 This procurement is being conducted in accordance with NRS § 333 and NAC § 333.
- 10.4 The State reserves the right to alter, amend, or modify any provisions of this RFP, or to withdraw this RFP, at any time prior to the award of a contract pursuant hereto, if it is in the best interest of the State to do so.
- 10.5 The State reserves the right to waive informalities and minor irregularities in proposals received.
- 10.6 The State reserves the right to reject any or all proposals received prior to contract award (NRS §333.350).
- 10.7 The State shall not be obligated to accept the lowest priced proposal, but will make an award in the best interests of the State of Nevada after all factors have been evaluated (NRS §333.335).

- 10.8 Any irregularities or lack of clarity in the RFP should be brought to the State Treasurer's designee Anne Lara's attention as soon as possible so that corrective addenda may be furnished to prospective vendors.
- 10.9 Proposals must include any and all proposed terms and conditions, including, without limitation, written warranties, maintenance/service agreements, license agreements, lease purchase agreements and the vendor's standard contract language. The omission of these documents renders a proposal non-responsive.
- 10.10 Alterations, modifications or variations to a proposal may not be considered unless authorized by the RFP or by addendum or amendment.
- 10.11 Proposals which appear unrealistic in the terms of technical commitments, lack of technical competence, or are indicative of failure to comprehend the complexity and risk of this contract, may be rejected.
- 10.12 Proposals from employees of the State of Nevada will be considered in as much as they do not conflict with the State Administrative Manual, NRS §281 and NRS §284.
- 10.13 Proposals may be withdrawn by written or facsimile notice received prior to the proposal opening time. Withdrawals received after the proposal opening time will not be considered except as authorized by NRS §333.350(3).
- 10.14 The price and amount of this proposal must have been arrived at independently and without consultation, communication, agreement or disclosure with or to any other contractor, vendor or prospective vendor. Collaboration among competing vendors about potential proposals submitted pursuant to this RFP is prohibited and may disqualify the vendor.
- 10.15 No attempt may be made at any time to induce any firm or person to refrain from submitting a proposal or to submit any intentionally high or noncompetitive proposal. All proposals must be made in good faith and without collusion.
- 10.16 Prices offered by vendors in their proposals are an irrevocable offer for the term of the contract and any contract extensions. The Awarded Vendor agrees to provide the purchased services at the costs, rates and fees as set forth in their proposal in response to this RFP. No other costs, rates or fees shall be payable to the Awarded Vendor for implementation of their proposal.
- 10.17 The State is not liable for any costs incurred by vendors prior to entering into a formal contract. Costs of developing the proposals or any other such expenses incurred by the vendor in responding to the RFP, are entirely the responsibility of the vendor, and shall not be reimbursed in any manner by the State.
- 10.18 All proposals submitted become the property of the State and will be returned only at the State's option and at the vendor's request and expense. The master copy of each proposal shall be retained for official files and will become public record after the award of a contract. Only specific parts of the proposal may be labeled a "trade secret" provided

that the awarded vendor agrees to defend and indemnify the State for honoring such a designation (NRS §333.333). The failure to so label any information that is released by the State shall constitute a complete waiver of any and all claims for damages caused by any release of the information.

- 10.19 A proposal submitted in response to this RFP must identify any subcontractors, and outline the contractual relationship between the awarded vendor and each subcontractor. An official of each proposed subcontractor must sign, and include as part of the proposal submitted in response to this RFP, a statement to the effect that the subcontractor has read and will agree to abide by the Awarded Vendor's obligations.
- 10.20 The awarded vendor will be the sole point of contract responsibility. The State will look solely to the awarded vendor for the performance of all contractual obligations which may result from an award based on this RFP, and the awarded vendor shall not be relieved for the non-performance of any or all subcontractors.
- 10.21 The awarded vendor must maintain, for the duration of its contract, insurance coverages as set forth in the Insurance Schedule of the contract form appended to this RFP. Work on the contract shall not begin until after the awarded vendor has submitted acceptable evidence of the required insurance coverages. Failure to maintain any required insurance coverage or acceptable alternative method of insurance will be deemed a breach of contract.

Notwithstanding any other requirement of this section, the State reserves the right to consider reasonable alternative methods of insuring the contract in lieu of the insurance policies required by the above-stated Insurance Schedule. It will be the awarded vendor's responsibility to recommend to the State alternative methods of insuring the contract. Any alternatives proposed by a vendor should be accompanied by a detailed explanation regarding the vendor's inability to obtain insurance coverage as described above. The State shall be the sole and final judge as to the adequacy of any substitute form of insurance coverage.

- 10.22 Each vendor must disclose any existing or potential conflict of interest relative to the performance of the contractual services resulting from this RFP. Any such relationship that might be perceived or represented as a conflict should be disclosed. By submitting a proposal in response to this RFP, vendors affirm that they have not given, nor intend to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant or any employee or representative of same, in connection with this procurement. Any attempt to intentionally or unintentionally conceal or obfuscate a conflict of interest will automatically result in the disqualification of a vendor's proposal. An award will not be made where a conflict of interest exists. The State will determine whether a conflict of interest exists and whether it may reflect negatively on the State's selection of a vendor. The State reserves the right to disqualify any vendor on the grounds of actual or apparent conflict of interest.
- 10.23 The State will not be liable for Federal, State, or Local excise taxes.

- 10.24 Execution of Attachment A and B of this RFP shall constitute an agreement to all terms and conditions specified in the RFP, including, without limitation, the Attachment C contract form and all terms and conditions therein, except such terms and conditions that the vendor expressly excludes. Exceptions will be taken into consideration as part of the evaluation process.
- 10.25 The State reserves the right to negotiate final contract terms with any vendor selected (NAC §333.170). The contract between the parties will consist of the RFP together with any modifications thereto, and the awarded vendor's proposal, together with any modifications and clarifications thereto that are submitted at the request of the State during the evaluation and negotiation process. In the event of any conflict or contradiction between or among these documents, the documents shall control in the following order of precedence: the final executed contract, the RFP, any modifications and clarifications to the awarded vendor's proposal, and the awarded vendor's proposal. Specific exceptions to this general rule may be noted in the final executed contract.
- 10.26 Vendor understands and acknowledges that the representations above are material and important, and will be relied on by the State in evaluation of the proposal. Any vendor misrepresentation shall be treated as fraudulent concealment from the State of the true facts relating to the proposal.
- 10.27 No announcement concerning the award of a contract as a result of this RFP can be made without the prior written approval of the State.
- 10.28 The Nevada Attorney General will not render any type of legal opinion regarding this transaction.
- 10.29 Any unsuccessful vendor may file an appeal in strict compliance with NRS § 333.370 and NAC § 333.
- 10.30 Local governments (as defined in NRS §332.015) are intended third party beneficiaries of any contract resulting from this RFP and any local government may join or use any contract resulting from this RFP subject to all terms and conditions thereof pursuant to NRS §332.195. The State is not liable for the obligations of any local government which joins or uses any contract resulting from this RFP.
- 10.31 Any person who requests or receives a Federal contract, grant, loan or cooperative agreement shall file with the using agency a certification that the person making the declaration has not made, and will not make, any payment prohibited by subsection (a) of 31 U.S.C. §1352.

11. SUBMISSION CHECKLIST

This checklist is provided for vendor's convenience only and identifies documents that must be submitted with each package in order to be considered responsive. Any proposals received without these requisite documents may be deemed non-responsive and not considered for contract award.

Documents to be submitted with proposal:

Completed

- | | |
|--|-------|
| 1. Requested number of copies of technical proposals packaged separately | _____ |
| 2. Requested number of copies of cost proposals packaged separately | _____ |
| 3. Page 1 of the RFP completed and signed | _____ |
| 4. Attachment A Confidentiality and Certification Indemnification | _____ |
| 5. Attachment B Technical Proposal Certification of Compliance | _____ |
| 6. Attachment C Vendor Certification | _____ |
| 7. Primary Vendor Information provided | _____ |
| 8. Subcontractor Information provided (if applicable) | _____ |
| 9. Reference forms sent out for Primary Vendor | _____ |
| 10. Reference forms sent out for Subcontractors (if applicable) | _____ |
| 11. <u>(other)</u> _____ | _____ |

Primary Vendor's Company Name: _____

ATTACHMENT A – CONFIDENTIALITY AND CERTIFICATION OF INDEMNIFICATION

Submitted proposals, which are marked “confidential” in their entirety, or those in which a significant portion of the submitted proposal is marked “confidential” **will not** be accepted by the State of Nevada. Pursuant to NRS 333.333, only specific parts of the proposal may be labeled a “trade secret” as defined in NRS 600A.030(5). All proposals are confidential until the contract is awarded; at which time, both successful and unsuccessful vendors’ technical and cost proposals become public information.

In accordance with the Submittal Instructions of this RFP, vendors are requested to submit confidential information in separate binders marked “**Part I B Confidential Technical**” and “**Part III Confidential Financial**”.

The State will not be responsible for any information contained within the proposal. Should vendors not comply with the labeling and packing requirements, proposals will be released as submitted.

By signing below, I understand it is my responsibility as the vendor to act in protection of the labeled information and agree to defend and indemnify the State of Nevada for honoring such designation. I duly realize failure to so act will constitute a complete waiver and all submitted information will become public information; additionally, failure to label any information that is released by the State shall constitute a complete waiver of any and all claims for damages caused by the release of the information.

This proposal contains Confidential Information, Trade Secrets and/or Proprietary information as defined in *Section 2 “ACRONYMS/DEFINITIONS.”*

Please initial the appropriate response in the boxes below and provide the justification for confidential status.

Part I B – Confidential Technical Information			
YES		NO	
Justification for Confidential Status			

A Public Records CD has been included for the Technical and Cost Proposal			
YES		NO	

Part III – Confidential Financial Information			
YES		NO	
Justification for Confidential Status			

Company Name

Signature

Print Name

Date

**ATTACHMENT B – TECHNICAL PROPOSAL CERTIFICATION OF COMPLIANCE
WITH TERMS AND CONDITIONS OF RFP**

I have read, understand and agree to comply with *all* the terms and conditions specified in this Request for Proposal.

YES _____ I agree to comply with the terms and conditions specified in this RFP.

NO _____ I do not agree to comply with the terms and conditions specified in this RFP.

If the exception and/or assumption require a change in the terms in any section of the RFP, the contract, or any incorporated documents, vendors *must* provide the specific language that is being proposed in the tables below. If vendors do not specify in detail any exceptions and/or assumptions at time of proposal submission, the State will not consider any additional exceptions and/or assumptions during negotiations.

Company Name

Signature

Print Name

Date

Vendors MUST use the following format. Attach additional sheets if necessary.

EXCEPTION SUMMARY FORM

EXCEPTION #	RFP SECTION NUMBER	RFP PAGE NUMBER	EXCEPTION (Complete detail regarding exceptions must be identified)

ASSUMPTION SUMMARY FORM

ASSUMPTION #	RFP SECTION NUMBER	RFP PAGE NUMBER	ASSUMPTION (Complete detail regarding assumptions must be identified)

ATTACHMENT C – VENDOR CERTIFICATIONS

Vendor agrees and will comply with the following:

- (1) Any and all prices that may be charged under the terms of the contract do not and will not violate any existing federal, State or municipal laws or regulations concerning discrimination and/or price fixing. The vendor agrees to indemnify, exonerate and hold the State harmless from liability for any such violation now and throughout the term of the contract.
- (2) All proposed capabilities can be demonstrated by the vendor.
- (3) The price(s) and amount of this proposal have been arrived at independently and without consultation, communication, agreement or disclosure with or to any other contractor, vendor or potential vendor.
- (4) All proposal terms, including prices, will remain in effect for a minimum of 180 days after the proposal due date. In the case of the awarded vendor, all proposal terms, including prices, will remain in effect throughout the contract negotiation process.
- (5) No attempt has been made at any time to induce any firm or person to refrain from proposing or to submit a proposal higher than this proposal, or to submit any intentionally high or noncompetitive proposal. All proposals must be made in good faith and without collusion.
- (6) All conditions and provisions of this RFP are deemed to be accepted by the vendor and incorporated by reference in the proposal, except such conditions and provisions that the vendor expressly excludes in the proposal. Any exclusion must be in writing and included in the proposal at the time of submission.
- (7) Each vendor must disclose any existing or potential conflict of interest relative to the performance of the contractual services resulting from this RFP. Any such relationship that might be perceived or represented as a conflict should be disclosed. By submitting a proposal in response to this RFP, vendors affirm that they have not given, nor intend to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant or any employee or representative of same, in connection with this procurement. Any attempt to intentionally or unintentionally conceal or obfuscate a conflict of interest will automatically result in the disqualification of a vendor's proposal. An award will not be made where a conflict of interest exists. The State will determine whether a conflict of interest exists and whether it may reflect negatively on the State's selection of a vendor. The State reserves the right to disqualify any vendor on the grounds of actual or apparent conflict of interest.
- (8) All employees assigned to the project are authorized to work in this country.
- (9) The company has a written equal opportunity policy that does not discriminate in employment practices with regard to race, color, national origin, physical condition, creed, religion, age, sex, marital status, sexual orientation, developmental disability or handicap.
- (10) The company has a written policy regarding compliance for maintaining a drug-free workplace.
- (11) Vendor understands and acknowledges that the representations within their proposal are material and important, and will be relied on by the State in evaluation of the proposal. Any vendor misrepresentations shall be treated as fraudulent concealment from the State of the true facts relating to the proposal.
- (12) Vendor must certify that any and all subcontractors comply with Sections 7, 8, 9, and 10, above.
- (13) The proposal must be signed by the individual(s) legally authorized to bind the vendor per NRS 333.337.

Vendor Company Name

Vendor Signature

Print Name

Date

ATTACHMENT D– CONTRACT FORM

The following State Contract Form is provided as a courtesy to vendors interested in responding to this RFP. Please review the terms and conditions in this form, as this is the standard contract used by the State for all services of independent contractors. It is not necessary for vendors to complete the Contract Form with their proposal.

If exceptions and/or assumptions require a change to the Contract Form, vendors ***must*** provide the specific language that is being proposed on ***Attachment B, Technical Proposal Certification of Compliance with Terms and Conditions of RFP.***

Please pay particular attention to the insurance requirements, as specified in ***Paragraph 16 of the embedded contract*** and ***Attachment BB, Insurance Schedule for RFP 14-001.***



Attachment D -
Contract Form.doc

To open the document, double click on the icon.

*If you are unable to access the above inserted file
once you have doubled clicked on the icon,
please contact Anne Lara at
ahlara@nevadatreasurer.gov for an emailed copy.*

ATTACHMENT E – INSURANCE SCHEDULE FOR RFP 3095

The following Insurance Schedule is provided as a courtesy to vendors interested in responding to this RFP. Please review the terms and conditions in the Insurance Schedule, as this is the standard insurance schedule used by the State for all services of independent contractors.

If exceptions and/or assumptions require a change to the Insurance Schedule, vendors ***must*** provide the specific language that is being proposed on ***Attachment B, Technical Proposal Certification of Compliance with Terms and Conditions of RFP.***



Attachment E-
Insurance Schedule B

To open the document, double click on the icon.

*If you are unable to access the above inserted file
once you have doubled clicked on the icon,
please contact Anne Lara at*

ahlara@nevadatreasurer.gov for an emailed copy.

ATTACHMENT F – REFERENCE QUESTIONNAIRE

The State of Nevada, as a part of the RFP process, requires proposing vendors to submit business references as required within this document. The purpose of these references is to document the experience relevant to the scope of work and provide assistance in the evaluation process.



Attachment F Ref
Questionnaire.doc

To open the document, double click on the icon.

*If you are unable to access the above inserted file
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please contact Anne Lara at
ahlara@nevadatreasurer.gov for an emailed copy.*

ATTACHMENT G

COLLEGE SAVINGS PROGRAM INVESTMENT OPTIONS



Chicago Equity .pdf



Vanguard
Prepaid.pdf



Attachment G 529
College Savings Progi

To open the document, double click on the icon.

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ATTACHMENT H

ANNUAL INVESTMENT REVIEW GUIDELINES FOR COLLEGE SAVINGS INVESTMENT MANAGERS



Nevada Annual
Review Guidelines - V

To open the document, double click on the icon.

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ATTACHMENT I

INVESTMENT POLICIES & MONITORING GUIDELINES



Nevada College
Savings Plans IPS Jan



Nevada College
Savings Program - Mc



NV Pre Paid Final IPS
Oct 2013.pdf

To open the documents, double click on the icon.

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ahlara@nevadatreasurer.gov for an emailed copy.*

ATTACHMENT J

COST PROPOSAL

Expect for Special Projects, as defined under Section 3.2.13 and 3.2.14, fees will include all related costs and expenses, including but not limited to overhead and support staff including all out-of-pocket expenses directly incurred for relevant office expenses (long distance telephone charges, outside printing, postage and delivery services), and travel. Please be aware that the College Savings Board may choose to engage a firm to provide a portion of the individual services listed rather than the entire scope of services listed below. In such a case, the individual line item pricing for each service would apply. Accordingly, firms should exercise care in pricing these services.

SECTION 1. COLLEGE SAVINGS PROGRAM CONSULTING

	<u>Annual Cost</u>
A. Fund Monitoring	
a. Underlying Passive Funds	\$ _____
b. Underlying Active Funds	\$ _____
c. Analysis and Customized benchmarking of Risk-based & Age-based/Target Date Funds in each plan	\$ _____
B. Annual Investment Firm Reviews	\$ _____
C. Due Diligence	\$ _____
D. Special Project Fees	

All special projects must be directed in writing by the Treasurer's Office. Special projects may be negotiated at a blended maximum hourly rate or an agreed upon maximum price between the vendor and the Treasurer's Office. Hourly fees will include all related costs and expenses, including but not limited to overhead and support staff except reasonable out-of-pocket expenses directly incurred for relevant office expenses such as long distance telephone charges, outside printing, postage and delivery services, and travel, as approved by the State; reference Attachment K-State Administrative Manual (SAM) section 0325).

Maximum blended hourly rate of service \$ _____

SECTION 2. PREPAID PROGRAM CONSULTING

	<u>Annual Cost</u>
A. Fund Monitoring	
a. Underlying Passive Funds	\$ _____
b. Underlying Active Funds	\$ _____
c. Covered-Calls (buy-write strategy)	\$ _____
B. Annual Investment Firm Reviews	\$ _____
C. Due Diligence	\$ _____

Additional fees outside the scope of the cost proposal and/or fees in excess of the maximum/not to exceed amounts listed in this worksheet, which are deemed necessary due to added complexity of the issuance, must be agreed upon in writing by the Treasurer's Office, prior to services being rendered.

ATTACHMENT K

STATE ADMINISTRATIVE MANUAL (SAM) SECTION 0325

0325 State Agencies, Boards, and Commissions with Independent Contracts for Outside Legal or Professional Services

Professional services shall include consultation or representative services within the professional's area of educational expertise performed by licensed practitioners as defined in NRS Chapter 439A, attorneys, accountants, engineers, architects, or experts (by education or experience) for judicial or administrative proceedings. It is the policy of the State of Nevada to limit and monitor costs associated with the hiring of professional and expert services, including private attorneys who provide services to the State as independent contractors. Accordingly, all such contracts including those entered into between the State, its agencies, boards and commissions, must include the following contract terms. Further, no such contract may extend beyond a two-year term without review and approval of the Board of Examiners.

1. Notification of Attorney General's Office - Contractor shall notify and consult with the Attorney General's Office promptly regarding all significant developments in regard to any potential legal matters or legal services provided under this contract. Should litigation involving potential liability for the State commence or significantly change during the term of this contract, the Attorney General's Office shall be immediately informed in writing. Contractor shall promptly advise the Risk Management Division of the Department of Administration regarding changes in the status of litigation that may have a fiscal impact on the State.
2. Copies of Work Products Provided to Attorney General's Office - Contractor shall promptly provide the Attorney General's Office, 100 N. Carson Street, Carson City, NV 89701-4717, with copies of final versions of the written work product relevant to any legal matter, including correspondence and executed counterparts of any original pleadings or other matters of importance. Contractor shall also provide to the Attorney General's Office written, quarterly reports summarizing significant developments in regard to the subject matter of the contract and significant services performed under the contract.
3. Work Product the Property of the State - All work products of the Contractor resulting from this contract are the exclusive property of the State. If any work remains in progress at the termination of this agreement, the Contractor shall surrender originals of all documents, objects or other tangible items related to the work to the Attorney General's Office.
4. Conflicts of Interest - Contractor shall not accept other representation or work known to be in direct conflict with the subject matter of the contract without prior written approval of the Attorney General's Office and all attorneys will consult with the Attorney General's Office regarding potential conflicts of interest, at all times acting in accordance with the Nevada Rules of Professional Conduct, Supreme Court Rules 157 - 159.
5. Copies of professional liability insurance will be attached to the contract with proof of policy of professional liability insurance for errors and omissions that is issued by an admitted insurance company authorized to transact insurance in the State of Nevada or by an insurance company authorized to transact surplus lines in the State of Nevada in an amount not less than \$1 million, or as otherwise determined or waived by the Division of Risk Management, Department of Administration, 201 S. Roop Street, Suite #201, Carson City, NV 89701.
6. Billing - In the absence of an agreed upon flat rate or per diem, contractor shall submit monthly billings for work performed, billing only for actual time spent performing a task, and not for unit charge (e.g., no automatic billing of one-third hour for a phone call that may take only five minutes). In every case all billings shall describe all work performed with particularity and by whom it was performed. Billings shall be attached to payment vouchers and processed, as are other claims against the State. Such billings are subject to the following guidelines:
 1. Unless otherwise agreed in advance, it is expected that only one professional from contractor's organization will attend meetings, depositions and arguments and other necessary events, although a second person may be needed for trials and major hearings or meetings;

2. Charges for professional time during travel will not normally be reimbursable unless the time is actually used performing professional services or as otherwise arranged in advance. In addition, the State will not pay:
 3. Fees for the training of personnel incurred as a result of staffing changes or increases during the term of the contract;
 4. Fees for time spent educating junior professionals or associates;
 5. Fees for more than ten hours of work per day for any individual, except during trial or another extraordinary event.
7. Expense Statements - If the contract provides for specific reimbursement for expenses, contractor shall submit monthly statements to the Contracting Agency itemizing all expenses for which reimbursement is claimed. Certain disbursements will not be paid unless agreed to in advance. These include:
1. Secretarial or word processing services (normal, temporary, or overtime);
 2. Photocopy expenses of more than 15 cents per page;
 3. Photocopy costs in excess of \$2,000 for a single job;
 4. Any other staff charges, such as meals, filing, proofreading, regardless of when incurred;
 5. Computer time (other than computer legal research specifically authorized in advance).

The State will not reimburse expenses for the following:

6. Local telephone expenses or office supply costs;
 7. The costs of first-class travel (travel arrangements should be made in advance to take advantage of cost-effective discounts or special rates).
8. Disputes - In the event that a civil action is instituted to collect any payment due under this contract or to obtain performance under this contract, the State as a prevailing party shall recover, as the court deems appropriate, reasonable attorneys' fees and all costs and disbursements incurred in such action.